

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00
OPIC-03 FRB-03 XMB-02 L-03 H-01 PRS-01 CIAE-00 INR-07
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P 121205Z JAN 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 9783

C O N F I D E N T I A L LISBON 0296

E.O. 11652: XGDS-4
TAGS: EINV, PO
SUBJ: RESOLUTION OF DISPUTES WITH AMERICAN COMPANIES,
ITT

1. DURING A SESSION LAST NIGHT, JAN 11, SOARES TOLD ME HE INTENDED TO MOVE ON PROPOSALS TO REIMBURSE SHARE-HOLDERS OF NATIONALIZED COMPANIES, TO REOPEN THE STOCK MARKET, AND TO ENCOURAGE THE RETURN OF MANY OF THE WEALTHY FAMILIES WHO HAD BEEN LIVING IN EXILE. THIS WAS PART OF HIS OVERALL PROGRAM TO STIMULATE THE PRIVATE SECTOR.

2. I REMINDED HIM OF ONE OTHER AREA THAT HE AND I HAD DISCUSSED IN THE PAST WHERE LITTLE FORWARD MOVEMENT HAD TAKEN PLACE, THE RESOLUTION OF DISPUTES INVOLVING FOREIGN COMPANIES. IT WOULD BE PARTICULARLY IMPORTANT TO HAVE PROGRESS IN THE CASE OF AMERICAN COMPANIES AS WE MOVE AHEAD IN PRESENTING THE CONSORTIUM PROGRAM TO THE US CONGRESS.

3. I TOLD SOARES THE COMPANIES WERE BECOMING MORE IMPATIENT AS TIME WORE ON. FOR EXAMPLE, ITT WHICH INVOLVED THE LARGEST AMOUNT UNDER DISPUTE OF ANY AMERICAN COMPANY, NOW WISHED TO HAVE A CONVERSATION
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DIRECTLY WITH THE PRIME MINISTER. SOARES SAID HE WAS AWARE OF THE REQUEST I HAD PUT IN TO HIS STAFF FOR AN APPOINTMENT BUT HE PREFERRED TO HAVE ITT DEAL WITH NEWLY-NAMED MINISTER OF INDUSTRY SOUSA GOMES. I URGED HIM TO HAVE THE GOVERNMENT MAKE CLEAR PUBLICLY THAT IT INTENDED TO RESOLVE DISPUTES WITH FOREIGN COMPANIES AND THAT SOUSA GOMES WOULD BE RESPONSIBLE

FOR HANDLING THE NEGOTIATIONS. SOARES AGREED THAT THIS WAS A USEFUL SUGGESTION.

4. ACTION REQUESTED: REQUEST DEPT INFORM ITT THAT I RAISED THEIR CASE WITH SOARES AND HE INDICATED A DESIRE TO RESOLVE THEIR PROBLEM. HE ASKED, HOWEVER, THAT ITT DEAL WITH SOUSA GOMES. WE WILL ATTEMPT TO SET UP APPOINTMENT FOR JANUARY 18. FYI GOP NEGOTIATORS ON ITT CASE EMPHASIZE THAT THEY HAVE BEEN FLEXIBLE BUT THAT THEY FIND LUKE VERY RIGID. THEY ARE CONTEMPLATING ASKING THAT ITT SEND A NEW NEGOTIATOR. END FYI.
CARLUCCI

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Subject: RESOLUTION OF DISPUTES WITH AMERICAN COMPANIES, ITT
TAGS: EINV, PO
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